



Grand Rapids Area
Chamber of Commerce

To: Members of the House Tax Policy Committee

From: Grand Rapids Area Chamber of Commerce

Subject: Support of 6% Corporate Income Tax Proposal

Date: March 15, 2011

The Grand Rapids Area Chamber of Commerce and our 2,800 members support the Governor's Corporate Income Tax (CIT) plan. This proposal creates a simple, competitive tax structure under which all business can operate, invest and succeed, while providing broad based tax relief to a majority of our members and minimizes the issuance of incentives.

The Chamber's Legislative Priorities advocate for the creation of a competitive tax structure, repeal of the Personal Property Tax and for tax incentives to be eliminated or minimized. The 6% CIT would dramatically reduce the business tax liability by \$1.8 billion for Michigan businesses. Because of its limitation of only taxing "C" corporations, this proposal will result in 95,000 fewer businesses filing a business tax. This tax proposal would end the double taxation that was placed on job providers under the MBT, which taxed personal income in addition to the MBT.

The Governor's proposal would also move the state of Michigan to a more transparent and affordable economic development incentive system. It would eliminate all existing tax credits. Instead, economic development incentives will be awarded through direct appropriations from the general fund on a case by case basis. This will severely limit the issuance of tax incentives, helping to lowering the overall tax liability for businesses.

This proposal recognizes the important role job providers play in revitalizing Michigan's economy and we urge your support. Please do not hesitate to contact us at 616.771.0335 if we can answer any additional questions you may have regarding our support.

Sincerely,

Andy Johnston
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Public Policy Coordinator

Connect. Succeed!

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